

MODERN CAPITAL CONCEPTS, INC.

FINANCIAL PLANNING AND INVESTMENT MANAGEMENT

KHLOÉ U. KAROVA, CFP®

FINANCIAL ADVISOR

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Securities offered through LPL Financial, member FINRA/SIPC. Financial planning offered through Modern Capital Concepts, a Registered Investment Advisor and separate entity from LPL Financial.

1-730914 Compliance Tracking 7-2018

MANIFESTO

WE ARE IN THE MIDST OF A WOMEN'S REVOLUTION. WE SEEK TO EMPOWER WOMEN TO PURSUE SUCCESS HOWEVER THEY DEFINE IT.

Our mission is to empower working women, professionals, academics and small business owners to establish positive financial behaviors, grow their wealth and pursue their life goals through an interdisciplinary approach combining financial education and personalized counseling.

Our investment management style is growth with an emphasis on socially responsible investing and environmental, social, governance (ESG) themes. Our clients typically have a long-term investment time horizon.

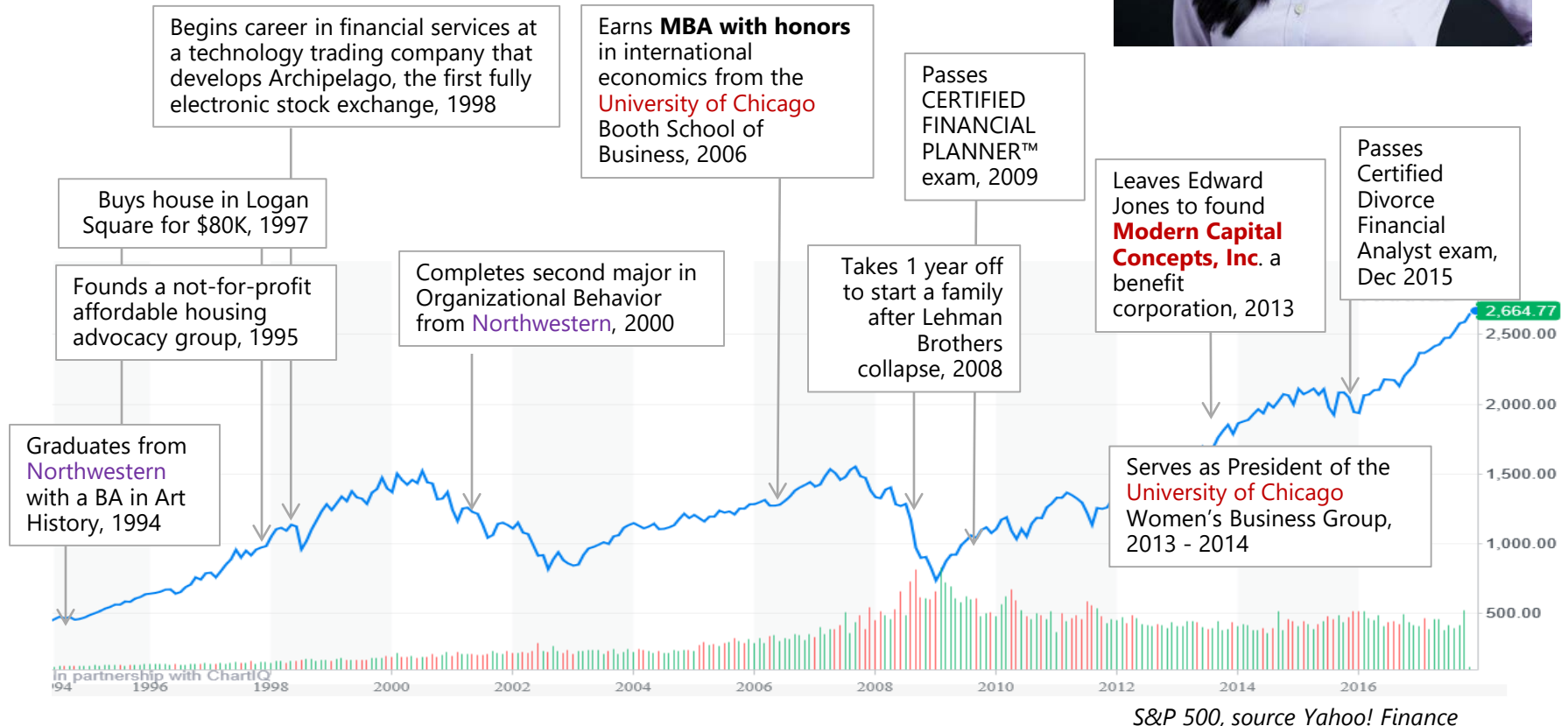
Modern Capital Concepts, Inc. is a benefit corporation financial services firm. We endeavor to maximize profits while seeking to fulfill our mission for the benefit of the communities in which we operate. We are committed to our community by sponsoring clinics for low-income residents and donating a portion of profits to community organizations.



ABOUT KHLOÉ U. KAROVA

CERTIFIED FINANCIAL PLANNER™

Khloé's commitment to her profession is demonstrated through her experience, degrees, certifications and awards. Additionally, she has given over 100 seminars on trading and financial planning over the past 20 years.





FINANCIAL PLANNING PROCESS





RESEARCH

ECONOMIC

- University of Chicago and Chartered Financial Analyst seminars and conferences
- Wall Street Journal, Financial Times, The Economist and Bloomberg
- IMF, World Bank and other independent and brokerage-sponsored research reports (i.e. JPMorgan Guide to the Markets)

ASSET ALLOCATION

- Journal of Financial Planning, CERTIFIED FINANCIAL PLANNER™ (CFP) , Chartered Financial Analyst (CFA) continuing education seminars and webinars
- LPL Financial Research: morning calls, model portfolios
- Conversations with other investment managers

FINANCIAL PLANNING

- Journal of Financial Planning
- Continuing education through Financial Planning Association regional and national conferences, AICPA (Tax and Estate Planning), investment company sponsored events, online courses
- Conversations with other financial planners

INVESTMENTS

- Mutual Funds and Exchange Traded Funds (ETFs): Morningstar, LPL Financial Mutual Fund Research, conference calls with fund companies, fund company research reports
- Equities: Fundamental and technical analysis. Thompson/Reuters, Bloomberg
- Conversations with other investment managers and research analysts
- Regional and national conferences: LPL's annual conference, Morningstar



INSIGHT INTO ACCOUNT REVIEW PROCESS: MUTUAL FUNDS AND EXCHANGE TRADED FUNDS

ASSET ALLOCATION

Is allocation still suitable for

- Risk tolerance
- Goal assigned to account
- Size of account
- Ongoing deposits into account
- Other cash flow resources available to client if retired

Does client need to adjust risk tolerance to get to goals?

- Email risk tolerance questionnaire
- Discuss over phone call or Skype or during annual meeting

Do any sectors pose increase risk?
Are stock valuations high relative to expected earnings growth? Should we accumulate cash for short-term needs (taxes, event)?

INVESTMENTS

Mutual funds: analyze each fund and compare to alternatives (fund or ETF)

- Is fund high quality?
 - LPL Research
 - Morningstar rating
 - Stewardship
 - Portfolio management team
- Is fund superior in asset category for risk adjusted return?
- Upside/downside capture suitable for investor?
- Would a passive fund or ETF a superior alternative?
- How long to hold fund if underperforming peers?

IMPLEMENTATION

Strategic Asset Management (SAM)

- Fund replacement:
 - Is timing important? IRA or taxable account
 - Trading costs: transaction fee out of old and into new position. Is exchange into fund family an possibility?
 - Search for accounts with fund holding and replace
 - One-time if small position
 - Dollar cost average if large position

Non-discretionary

- Discuss strategy change or replacement with client and get authorization

Account review process evolves over time. Intention of current process is fairness regardless of revenue received: Goals is to review each account at least once a month in random order using automated or manual inspection. In case of market corrections (10% drop in US stocks) in order of cash available or specific instructions by client. Advisory accounts are discretionary accounts as outlined in account agreement.





PERSONAL FINANCIAL PLANNING MENU

\$500 for 2 Hours*

Financial Check-Up

Appropriate if need help in **one** area:

- ☐ Cash Flow and Debt Management
- ☐ Investment Education
- ☐ Retirement
- ☐ College Saving / Financial Aid Strategies
- ☐ Insurance Needs Analysis

*Regular price is \$275 per hour

\$900 Quarterly
(3 months)

Personalized Financial Strategy

Appropriate if need help in more than one area:

- ☐ Cash Flow and Debt Management
- ☐ Investment Education
- ☐ Retirement
- ☐ College Saving / Financial Aid Strategies
- ☐ Insurance Needs Analysis
- ☐ Tax and Estate Planning
- ☐ Divorce Financial Analysis
- ☐ Business Brain Trust (small business advisory)

Unlimited meetings and emails:
typically one meeting per month.
Includes written financial plan.

Asset Based Fee
Starts at 1.25%^ψ

Personalized Financial Strategy + Investment Management

Holistic financial planning covering all areas under the quarterly fee plan and investment management mapped to life goals

- ☐ Asset Allocation and implementation
- ☐ On-going monitoring for performance, risk and product costs
- ☐ Rebalancing for accounts held at LPL Financial

\$100,000 household minimum for conventional portfolio strategies or \$25,000 for 100% sustainable-ESG.

^ψ 1.00% fee for accounts ≥ \$500,000
0.75% fee for accounts ≥ \$1,000,000

Additionally, we receive commissions from 401(k) and insurance products sold, and fees from other consulting services. Some clients may pay fees in addition to those described here.



NON-PROFIT/SMALL BUSINESS MENU

FINANCIAL WELLNESS

\$750 per 3 hour session

Financial Wellness Lunch and Learn

1 hour seminar followed by 2 hour one-on-one counseling or Q&A. Program is free each year for 401(k) plan clients. Each session covers the following topics:

- Identifying goals, overcoming obstacles and techniques to reduce financial stress
- Investment education: how does the stock market work, how to do research, importance of asset allocation and risk management
- College saving, financial aid, Student loan strategies
- Saving for retirement

NON-PROFIT BOOTCAMP

\$250 per 1 hour session

How to Raise Money

20 minute presentation followed by 40 minute facilitated discussion with the learning objectives and goals based on needs of organization. Examples include:

- Setting fundraising goals
- What does recent research on fundraising suggest?
- Storytelling to engage new donors
- Increasing awareness and fundraising through social media
- Brainstorming to generate innovative ideas

CONSULTING

\$1,980 per day

Past Engagements

- Consulting with a major university on a high school financial literacy program
- Focus group participation for an advertising campaign for a mutual fund company

One pro-bono financial wellness or junior board boot camp is available to Chicago non-profits each year. Preference is given to organizations focused on education, the environment and/or empowering low-income, minority or marginalized communities.

FOR ASSET-BASED FEE CLIENTS:
MOVING ACCOUNTS





WHO IS LPL FINANCIAL?

As an independent financial advisory firm, Modern Capital Concepts can select vendors for broker dealer services that offer premier technology, brokerage and compliance services for its clients. Currently, LPL Financial provides all three services along with a client service backup. LPL Financial is the largest independent broker dealer in the nation*, servicing independent advisors and is a member of FINRA & SIPC.

Your Account

- Cash Flow and Debt Management
- Investment Education
- Retirement
- College Saving / Financial Aid Strategies
- Insurance Needs Analysis
- Tax and Estate Planning
- Divorce Financial Analysis
- Small Business / Start-up Advisory

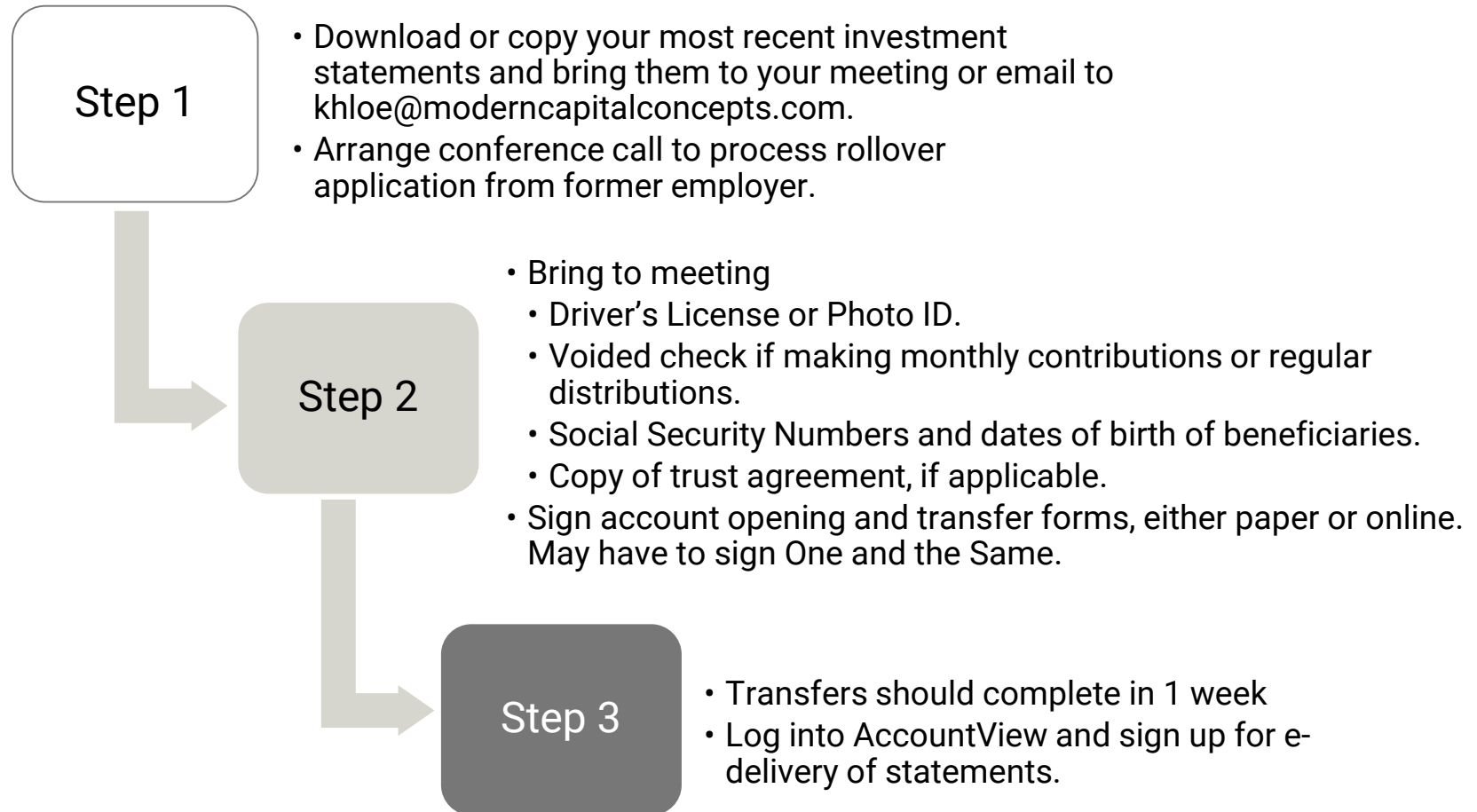
- Statements
- Online Access and Tech Support
- Tax forms such as 1099s
- Client service backup: 800.558.7567
- Investment research team
- Compliance team



*As reported in Financial Planning Magazine, June 1996-2017, based on total revenue.



GETTING STARTED NEW FINANCIAL ADVISORY CLIENTS*




*New financial planning only clients sign a financial planning agreement.



DOCUSIGN PROCESS

1. Look for an email from Modern Capital Concepts.
2. Click on "View Documents."
3. Confirm your identity.
4. Agree to do business electronically.
5. Click on the yellow "Start" tab to go to the signature line, click on "Sign," pick a signature and "Confirm Signing" to complete the process.

From:  Khloe Karova (khloe.karova@lpl.com)
Modern Capital Concepts

Hello Khloe Karova,


Please review and e-Sign these forms to move your account to my new firm.

Khloe

Please click the link below and follow the instructions to view the electronic envelope with your document(s). If you have questions about this email or the document(s) contained in the envelope, please contact the sender listed above.

[View Documents](#)

Identity Confirmation

From:  Khloe Karova
Modern Capital Concepts

The sender has requested that you enter the last 4 digits of your Social Security Number to confirm your identity. Please enter the last 4 digits of your Social Security Number and validate it in order to proceed to viewing the document.

Last 4 digits of your Social Security Number

[Validate](#)


LPL Financial

- If this is a SAR-SEP, I certify that I have received, read and accept my employer's plan was established in a year beginning before 1997 and I have entered
- If this is a SIMPLE IRA, I certify that I have received, read and accept the summary relating to my employer's SIMPLE IRA Plan and I have entered into a SIMPLE Elective
- If this is a 403(b)(7), I have verified with my employer that it is an educational organization described in Code Section 501(c)(3) of the Internal Revenue code ; responsibility for any applicable contribution or distribution limitations under Internal employer's 403(b)(7) plan and in connection, have entered into an elective deferral ;
- If this is a 403(b)(7), I designate LPL as the brokerage firm to invest assets and agree


Under penalties of perjury, I hereby certify that: (1) The number shown on this form number to be issued to me, and (2) I am not subject to backup withholding because notified by the Internal Revenue Service (IRS) that I am subject to backup withholding (IRS has notified me that I am no longer subject to backup withholding, and (3) I am a to backup withholding.) The Internal Revenue Service does not require my consent required to avoid backup withholding.

This account is governed by and I acknowledge receipt of the predispute arbitration Agreement (included in the Account Packet specified in Section II), which is incorporated with a third party investment advisor (TPIA) or third party asset management Disclosure Brochure.

[Sign Here](#)

 Khloe Karova
Account Holder Name

[Sign Here](#)

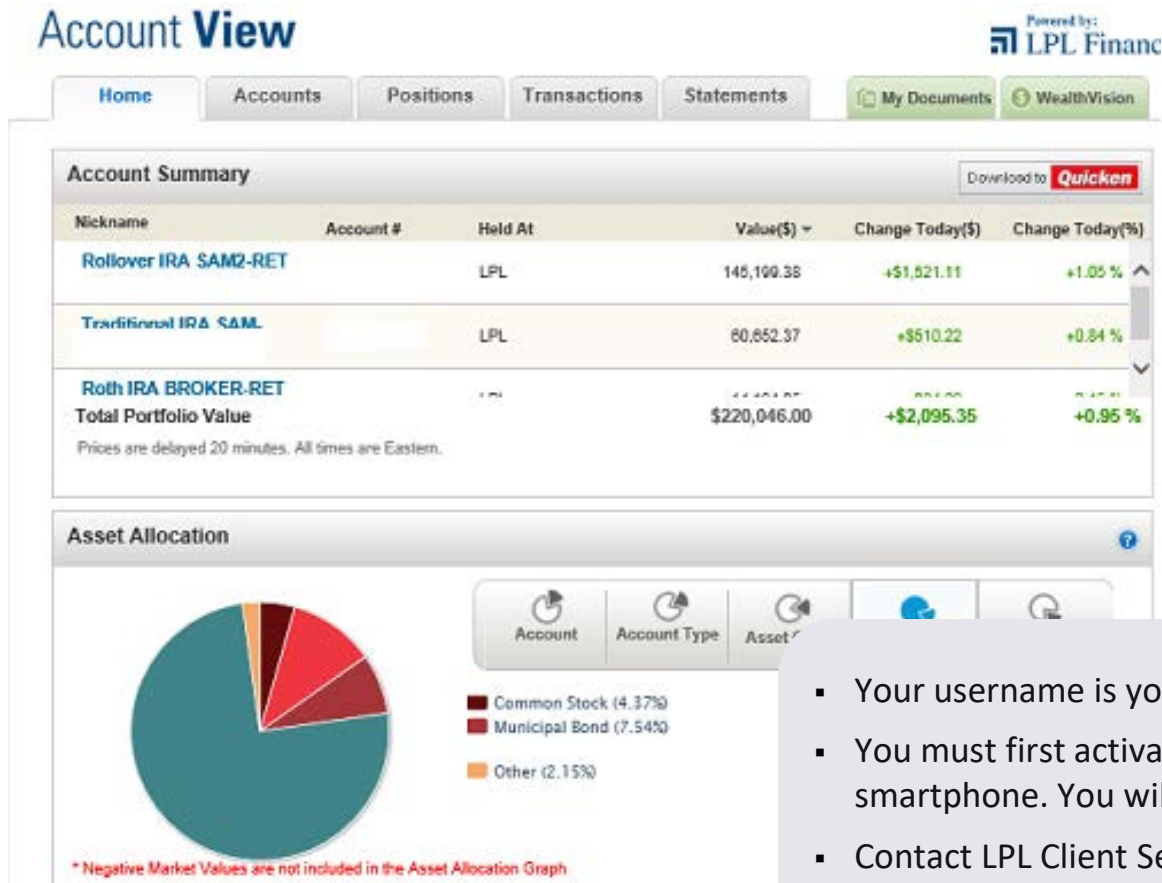
 Khloe Karova
Account Holder Name

**Confirm
Signing**

You have completed your documents



MYACCOUNTVIEWONLINE.COM



- Your username is your email address.
- You must first activate your account on a laptop not smartphone. You will need your account number.
- Contact LPL Client Service 800.558.7567 if you get locked out.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

All investing involves risk including loss of principal. No strategy assures success or protects against loss.

Asset allocation does not ensure a profit or protect against a loss.